

West Virginia Department of Agriculture

Kent A. Leonhardt, Commissioner
Joseph L. Hatton, Deputy Commissioner



MEMORANDUM

TO: Mac Warner, Secretary of State
FROM: Kent Leonhardt, Commissioner of Agriculture *KL*
DATE: April 30, 2020
RE: Suspension of 61CSR33 Rural Rehabilitation Program.

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FILED
OFFICE OF THE SECRETARY OF STATE

On March 16, 2020, the governor issued a proclamation declaring a state of emergency in response to the public health risks posed by the coronavirus epidemic in West Virginia which proclamation "delegates to all state agencies the ability to suspend rules, if strict compliance therewith would in any way prevent, hinder or delay necessary action in coping with the emergency" pursuant to the governor's authority set forth in W.Va. Code §15-5-6(c)(7).

61 CSR 33 (rule) establishes requirements for the rural rehabilitation loan program pursuant to W.Va. Code §19-1-11 and sets forth requirements for the rural rehabilitation loan committee including, amongst other things, the application process, refinancing, restructuring of distressed loans, collection proceedings and various related lending matters.

Borrowers who have been adversely affected financially by the coronavirus and the downturn in business due to government actions are unable to service their debt and, in many instances, are unable to meet the established requirements for refinancing and restructuring loans. On April 23, 2020, the rural rehabilitation loan committee met and by unanimous vote authorized the Commissioner of Agriculture to suspend the following rules until the end of the state of emergency declaration:

W. Va. §C.S.R. 61-33-9. Delinquencies and Collection Proceedings. Sets forth collection proceedings for delinquent loans.

W. Va. §C.S.R. 61-33-10. Refinancing. Requires a 5-year waiting period before refinancing any loan.

W. Va. §C.S.R. 61-33-14. Determination of Distressed Loans. Details specific procedural requirements for borrowers desiring to restructure their loans. Requires the Commissioner to provide distressed borrowers the opportunity to personally appear before the loan committee.

W. Va. §C.S.R. 61-33-15. Consideration of Applications for Restructuring. Sets forth criteria for borrowers that do not take into consideration the current pandemic.

The loan committee will continue to provide professional review of all loans and requests for refinancing and restructuring and apply best practices to each loan. This suspension will remain in effect until the state of emergency is lifted.

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